

GROUP 1 WORKSHEET**Contracting Tax Factoring Worksheet – NO CITY LAND DEDUCTION**

Assumption: No tax amount is specified in the contract.

TAX RATES AND FACTOR

State & County Tax Rate.....

City Tax Rate.....

Combined RATE.....

Combined FACTOR.....

* Refer to the TRANSACTION PRIVILEGE AND OTHER TAX RATE TABLES, Table 1. Place in Column G of the TPT-1.

* Refer to the Transaction Privilege and Other Tax Rate Tables.

* Add the City Rate to the State & County Rate.

* Find the factor for the COMBINED RATE ABOVE on the TAX FACTORS FOR CONTRACTORS table.

ITEM	SOURCE	AMOUNT	DESTINATION
1. Gross Amount of Contract or Progress Payment	Contract/Invoice/Cash Receipts		Front of TPT-1, Column D
2. Land at Fair Market Value	Appraisal or Other Documentation		Back of TPT-1, Schedule A, Deduction Code 518

CALCULATIONS ON LAND DEDUCTION DIFFERENCE

3. City Tax on Land	Line 2 times City Tax Rate times 65%		Back of TPT-1, Schedule A, Deduction Code 551
4. Prime Contractor Reduction on Land	Line 2 times 35%		

CALCULATIONS ON COMMON AMOUNTS

5. Common Base	Line 1 minus Line 2 minus Line 3		
6. Factored Tax on Common Base	Combined Factor times Line 5		Back of TPT-1, Schedule A, Deduction Code 551
7. Basis for Prime Contractor Reduction	Line 5 minus Line 6		
8. Prime Contractor Reduction on Common Base	Line 7 times 35%		Back of TPT-1, Schedule A, Deduction Code 502

FOR THE STATE RETURN - COUNTY LINE

9. Total Class 15 Deductions	Add Lines 2, 3, 6, and 8		Front of TPT-1, Column E
10. Taxable Class 15 Amount	Line 1 minus Line 9		Front of TPT-1, Column F
11. Class 15 Tax	State & County Tax Rate times Line 10		Front of TPT-1, Column H

FOR THE STATE RETURN – CITY LINE OR FOR THE CITY RETURN

12. Total City Deductions	Add Lines 3, 4, 6, and 8		Front of TPT-1, City line, Column E or City Return
13. Taxable City Amount	Line 1 minus Line 12		Front of TPT-1, City line, Column F or City Return
14. City Tax	City Tax Rate times Line 13		Front of TPT-1, City line, Column H or City return

For Assistance call (602) 255-2060 or Toll Free (Arizona Only, outside of Maricopa Only) 1-800-843-7196
KEEP THIS WORKSHEET WITH YOUR RECORDS. PLEASE DO NOT SEND IT WITH YOUR RETURN.